



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

0001

June 18, 2008

Palladon Iron Corporation
Iron Bull Mining and Milling
554 South 300 East, suite 250
Salt Lake City, UT 84111

Subject: Review of Amended Notice of Intention to Commence Large Mining Operations, Palladon Iron Corporation, Mine, M/021/008, Task #2438, Iron County, Utah

Dear Mr. Hawkins:

The Division has completed our first review of your amendment to your Notice of Intention to Commence Large Mining Operations for the Iron Mountain mine, received May 30, 2008. The attached comments will need to be addressed before approval may be granted.

The comments are listed below under the applicable Minerals Rule heading. Send replacement pages of the original notice **using redline and strikeout text** and indicate how these are to be incorporated into the current approved plan using Form-MR-REV-att found on the Divisions web page. After the notice is determined technically complete you will be asked to send us two final clean copies, one will be returned.

The Division requests that submittals are made according to the following format. Notices and changes should be three hole punched, maps folded and placed in a plastic 8 ½ by 11 sleeve, and binders provided for new notices, revisions, applications, or other changes of 30 pages or more (binders need only be provided once). An additional electronic copy is appreciated. You may request some proprietary information relating to the location, size, and nature of the mineral deposit to be kept confidential. Confidential information must be clearly marked and provided in a separate binder.

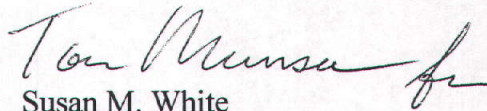
0001



Page 2
Mr. Hawkins
M0210008
June 18, 2008

If you have any questions in this regard please contact me, Lynn Kunzler or Tom Munson of the Minerals Staff. If you wish to discuss this review, please contact us at your earliest convenience. Thank you for your cooperation in completing this permitting action.

Sincerely,

A handwritten signature in black ink, appearing to read "Susan M. White", with a stylized flourish at the end.

Susan M. White
Mining Program Coordinator
Minerals Regulatory Program

SMW:tm:pb
Attachment: Review
Task# 2438
cc: ed_ginouves@blm.gov
P:\GROUPS\MINERALS\WP\M021-Iron\M0210008-IronMtn\Final\LMO-Amend -REVIEW6172008.doc

1ST REVIEW OF NOTICE OF INTENTION TO COMMENCE LARGE MINING OPERATIONS

Palladon Iron Corporation
Iron Mountain

M/021/008
June 17, 2008

R647-4-105 - Maps, Drawings & Photographs

105.1 Topographic base map, boundaries, pre-act disturbance
General

The acreages are inconsistent from one map to the next, please correct.

Map 3F

Is the main road into the facilities open to the public or is access restricted? Should this road be included in the bonded area? What is mine and what is public access in regards to roads. Not shown on map.

Make sure all lines are closed on all the map's designated bonded area lines. This occurs mainly around the Comstock Road main access road.

On maps M-0100-12, IM-0100-3, 3F the different hatch marks are difficult to discern. Please select different colors or more distinguishable markings.

Map IM-01000-3 has what purpose other then trying to identify active mining areas (?). Exactly what is it trying to show? The title is the same as IM-01000-3f and therefore it is confusing, perhaps a title change would be appropriate.

Map IM-0100-3f shows a green area of 6.3 acres, why is this area green? Was it never bonded previously?

The green becomes post law disturbance; so when approved it should be the same designation as post act disturbance previously permitted designation. It may be better to date the disturbance so it is clear.

Ownership map. Does Palladon own the patented mining claims? Is the unpatented lands, BLM lands? The map is confusing and should be limited to the permit area and immediate adjacent ownership. It may help to just clarify who owns the surface with separate subsurface ownership.

There is not a map showing the post mining final topography of the new area to be disturbed. A condition of approval will be for this map to be submitted.

What is mine access and what is public access in regards to roads. Please show this on the map. (TM&SW)

105.2 Drawings or Cross Sections (slopes, roads, pads, etc.)

Please provide a cross- section of the post mine topography related to the dump expansion.

Please show on map IM-0100-3f where the Comstock Waste Dump Slope Calculations shown on Drawing APP.F.2 are located. (TM&SW)

R647-4-106 - Operation Plan

106.3 Estimated acreages disturbed, reclaimed, annually.
Please provide the annual acreages disturbed and reclaimed annually for the dump expansion. (TM)

R647-4-107 - Operation Practices

107.5 Suitable soils removed & stored
Please show where the topsoil salvaged will be stored. (TM)

R647-4-109 - Impact Assessment

109.1 Impacts to surface & groundwater systems
The impacts to the drainage that is covered by the expansion of the new dump should be discussed under this section. Information regarding the size of the drainage area and the toxicity of the dump material needs to be addressed. (TM)

R647-4-110 - Reclamation Plan

110.5 Revegetation planting program
Please add the following changes to the revegetation seed mix. (LK)
Revegetation seed mix add:

Wyoming Big Sage(0.1 lb/ac)
Forage Kochia (0.5 lb/ac)
Palmer Pentstemon (0.5 lb/ac)
Pacific Aster (0.1 lb/ac)

Change:

Antelope Bitterbrush (1.0 lb/ac)
Western wheatgrass (2 .0 lb/ac)

R647-4-113 – Surety

The Costs as listed on Figure IM-Load out are \$0.19/ft³ in the original surety to demolition buildings? It is not appropriate to use 2008 costs of \$0.31/ft³ to credit demolition of buildings when the costs were lower in the original surety. Please make this adjustment.

R647-4-115 - Confidential Information

The Division by rule can only keep the information related to the location, size, and nature of the mineral deposit protected as confidential. The actual mining claims are not included under this rule.